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STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243-1132

SELF-INSURANCE DIVISION

APPLICATION FOR GROUP MEMBERSHIP

Application for Membership in The TENNESSEE TRUCKING ASSOCIATION SELF INSURANCE GROUP TRUST Group Self-Insurer.

1. Name Sharp Transport, Inc.
2. Address PO Box 155 Ethridge TN 38456
3. Federal Employer Identification Number [REDACTED]
4. Applicant is: Corporation (☒) Partnership ( ), Individual ( ).
5. Nature of Business Trucking
6. List of Partners, Owners or Corporate Officers:

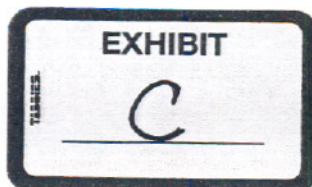
NAME	ADDRESS	TITLE	PERCENTAGE OF OWNERSHIP
<u>John Sharp</u>		<u>Pres</u>	<u>[REDACTED]</u>
<u>Becky Sharp</u>		<u>VP</u>	<u>[REDACTED]</u>

7. Number of Employees Working for Applicant in Tennessee at This Time 195
8. Amount of Annual Payroll During Past Year for Applicant's Employees Working in Tennessee \$5,789,000
9. Current Payroll or Projected Payroll for Applicants' Employees Working in Tennessee Same
10. Give the Following Payroll Facts for the Past Twelve Months Period Ended 7-1, 2002

AMOUNT OF TENNESSEE PAYROLL BY OCCUPATIONAL CLASSIFICATION

No. of Employees	Classification	Payroll	Manual Code	Rate per \$100	Annual Premium
<u>175</u>	<u>Trucking</u>	<u>4,805,600</u>	<u>7219</u>	<u>7.86</u>	<u>377,720</u>
<u>12</u>	<u>Auto Repair</u>		<u>8380</u>		
<u>20</u>	<u>Clerical</u>	<u>860,000</u>	<u>8810</u>	<u>2.40</u>	<u>3,440</u>

Total Premiums paid for the above period \$ 394,107



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SELF INS/SURPLUS

11. Tennessee Workers' Compensation and Employers' Liability Insurance Coverage prior to effective date carrier by: \_\_\_\_\_.

12. We hereby formally apply for continuing membership in the above named Group, to be effective on July 1, 2002, and if accepted by its duly authorized representative, do hereby designate and appoint the named manager of the Group as our agent-in-fact in all matters relating to the Workers' Compensation Act and/or employer's liability. We further agree as follows:

- A. To accept and be bound by the provisions of the Tennessee Workers' Compensation Act.
- B. That by application and reference, the terms and provisions of the Group Indemnity Agreement and/or Amendment thereto filed, or any renewal Indemnity Agreement which hereafter be filed with the Tennessee Insurance Commissioner are hereby adopted, approved, ratified and confirmed by us: and further, we agree to assume all of the obligations set forth therein, including but not limited to our joint and several liabilities for payment of any lawful awards against any member of the Group.
- C. To abide by the rules and regulations of the Trustees of the Group and to conform to the term of the agreements they may enter into with any authorized service company as long as we remain a member of the Group.
- D. We agree to give at least thirty (30) days written notice to the Group prior to our withdrawal as a member. Too, in the event, of any change in ownership, corporate structure, legal entity, nature of business or if any locations are to be added or deleted, we agree to so notify the Group immediately. The Group will give written notice thirty (30) days prior to cancellation or expulsion of any member.

John Sharp  
(Applicant)

By Pres.  
(Official and Title)

State of Tennessee

County of Lawrence

Subscribed and sworn to me by John Sharp

on this 1st day of July, 2002

Patricia J. Lott  
(Notary Public)

My Commission Expires: 2-10-2004

Application and supporting documents of Sharp Transport, Inc.  
have been properly received and noted. Said applicant is hereby approved and accepted for  
membership in the Group effective 1<sup>st</sup> day of July, 20 02.

Tennessee Trucking Association Self Insurance Group Trust

(Group)

By Denny Kemp  
(Chairman, Board of Trustees)

Date of Signing 5-14-03



## INDEMNITY AGREEMENT AND POWER OF ATTORNEY

THIS AGREEMENT is made and entered into this 1st day of \_\_\_\_\_, 20\_\_\_\_, between all the parties which are now or may hereafter become a member (the "Member" or collectively, the "Members") of TENNESSEE TRUCKING ASSOCIATION SELF INSURANCE GROUP TRUST (the "Group").

### Recitals.

1. The Members of the Group have agreed to provide for joint and cooperative action to self-insure and to pool their separate liabilities arising under the Group's self-insurance programs, as may be provided pursuant to the terms of the Tennessee Workers' Compensation Act (the "Act") and the regulations governing self-insured workers' compensation pools (the "Regulations").
2. The following persons constitute the current Board of Trustees (also known as the "Board of Directors") ("the Board"), which is authorized to direct the affairs of the Group and to pass on the admissibility of applicants for membership in the Group.

Joe Gobble (Chairman)  
Clarence Easterday  
Ramsey Hassan  
Donnie Kemp  
John Phillips  
Bill Reed
3. As provided under the Acts and Regulations, each Member of the Group is required to execute an agreement whereby each will jointly and severally assume and discharge any liability under the self-insurance programs of the Group of any and all Members which execute this Agreement. The Department of Commerce and Insurance may enforce the joint and several liability obligations of the Members and the liability of Members for any unpaid contributions (premiums) and assessments in the event of the Group's failure to do so.
4. Each Member of the Group shall agree to pay contributions and assessments, based upon appropriate classifications and rates, into designated accounts from which expenses of the Group and lawful and proper claims and awards are paid. There shall be no disbursements out of such funds by way of distribution of accumulated reserves to Members or former Members, except at the discretion of the Board as provided herein.

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5. Each Member of the Group elects to become a party to this Agreement, to comply with the conditions set forth herein and establish and maintain a group self-insurance association pursuant to the provisions of the Act and the Regulations, and to execute such other instruments and take such other action as may be required to form and continue such Group.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises, and obligations contained herein, the parties agree as follows:

1. Each and all of the Members jointly and severally agree to assume, pay, and discharge any liability of the self-insurance programs of the Group of any and all Members hereunder, and each Member agrees to pay contributions and such assessments as may be required pursuant to paragraph 9(c) below. Without limiting any other rights of the Group, the Department of Commerce and Insurance shall have the right to enforce on behalf of the Group the joint and several liability of the Members under the Act or this Agreement and liability of any Member for any unpaid contributions and assessments in the event of the Group's failure to enforce such obligations of the Member or Members. Provided, further, the Group's Board of Directors shall use best efforts, in the event assessments require the performance of the Members' joint and several obligations hereunder, to impose such assessments in an equitable manner against all Members.
2. The Members intend this Agreement as a mutual covenant of assumption of joint and several liability, provided, however, the relationship of the Members with each other and the Group shall not be deemed to form or operate as a partnership for any other purpose except that for which the Group is organized and operated.
3. The Board and the Members have designated and appointed TRUCKING SERVICES, INC. as the administrator (the "Administrator") and BRENTWOOD SERVICES ADMINISTRATORS, INC. as the service company (the "Service Company") for the Group and its Members, or such substitute or replacement as shall be appointed by the Board, subject to approval as an administrator and a service company, respectively, by the Department of Commerce and Insurance. The Group, Administrator, and Service Company have entered into a Management and Insurance Service Agreement dated December 1, 2001, in which the Administrator and Service Company shall provide certain services necessary to a self-insured program as more particularly provided therein.
4. The Service Company shall deposit to the account or accounts of the Group, at any Tennessee bank or banks designated by the Board, all collected contributions and other monies. Such monies shall be disbursed only as provided by the Group's bylaws, rules, regulations, and resolutions of the Board, this Agreement, the Act, and Regulations.



5. The Group may maintain excess insurance as deemed necessary by the Board or as required by the Regulations.
6. The Board may admit as Members of the Group only acceptable and financially sound entities. Except as otherwise provided by the Regulations, the Board shall be the sole judge of whether as an applying entity shall be admitted to membership and the eligibility of an entity to remain a Member. The Group shall notify the Department of Commerce and Insurance and the workers' compensation agency of the termination or cancellation of a Member within ten (10) days and, except in the case of such Member's failure to pay its contributions or assessments to the Group, shall maintain coverage of each canceled or terminated Member for thirty (30) days after such notice unless the Group is notified by the workers' compensation agency that the canceled or terminated Member has procured workers' compensation insurance, has become an approved self-insurer, or has become a member of another group. A Member which elects to terminate its membership or is canceled by the Group remains jointly and severally liable for workers' compensation obligations of the Group and its Members which were incurred during the canceled or terminated Member's period of membership. In any event, no liability shall accrue to the Group or its Members for any liability to an employee of the terminated or canceled Member arising after the thirty (30) day period or upon the effective date of a termination resulting from such member's non-payment of contributions or assessments, as the case may be.
7. Each Member agrees to and authorizes the Group to maintain with the Department of Commerce and Insurance a security deposit of acceptable securities or a surety bond as required by the Department of Commerce and Insurance. The Board is authorized to obtain such surety bond.
8. The Board shall have the authority to invest funds of the Group as permitted by the Act or Regulations.
9. The Board will promulgate the rules and regulations for administering the Group, the expulsion of or suspension of Members and, subject to the Regulations, the admission of Members. Each Member of the Group agrees to abide by such rules and regulations, including, without limitation, the following:
  - (a) Each member agrees to initiate and maintain a safety program to give its employees safe and sanitary working conditions and agrees to follow the general recommendations of the Group, the Administrators, and Service Company to promote the general welfare of its employees. However, each Member shall remain solely responsible for all decisions concerning its safety program and practices.
  - (b) In the event of an accident or reported claim, each Member agrees to make immediate provision for the care of its employee, and to

give immediate notification of the accident to the Service Company on the prescribed forms. Costs of such care shall be paid by the Group to the extent required by the Act.

- (c) Each Member shall make prompt payment of all contributions and assessments as required by the Board. Except as may be limited by the Regulations, such contribution may be reduced by a discount allowed by the Board. In the event of a loss fund deficit and depletion of all available excess insurance, the Board may adopt any plan it deems equitable for the elimination of such deficit, including, without limitation, the assessment of all Members in the proportion which the contribution of each Member bears to the total contributions of all Members in the year in which such deficit occurs. A Member is not relieved of its workers' compensation liabilities incurred during its period of membership except through payment by the Group or the Member of required workers' compensation benefits. The insolvency or bankruptcy of a Member does not relieve the Group or any Member of liability for the payment of any workers' compensation benefits incurred during the insolvent or bankrupt Member's period of membership.
- (d) Each Member does hereby appoint the Service Company of the Group as agent to act in the Member's behalf to file reports and to make or arrange for payment of claims, medical expenses, and in all other matters required or necessary insofar as they affect the Member's liability under the Act.
- (e) Each Member agrees that in the event of the payment of any loss by the Group under this Agreement, the Group shall be subrogated to the extent of such payment to all the rights of the Member against any person or other entity legally responsible for damages for such loss, and in such event, the Member hereby agrees to render all reasonable assistance to effect recovery.
- (f) The Group is to defend in the name of and on the behalf of each Member any suits or other proceedings which may at any time be instituted against such Member arising from any injury or death within the purview of the Act or the self-insurance programs of the Group, even though such suits, other proceedings, allegations or demands are groundless, false or fraudulent, and to pay costs reasonably incurred in any legal proceeding defended by the Group, interest accruing after entry or judgement, and expenses incurred for investigation and negotiation of such suit.
- (g) Liability of the Group to the employees of any Member is specifically limited to such obligations as are imposed under the



Act against the Member or the self-insurance programs of the Group.

- (h) The Board, Administrator, or Service Company, any of their agents, servants, employees, or attorneys, shall be permitted at all reasonable times to inspect the Member's work places, plants, works, equipment, machinery, appliances and other property covered by this Agreement, and shall be permitted at all reasonable times and, within two (2) years after the final termination of the membership in the Group, to examine the Member's books, vouchers, contracts, documents, and records of any and every kind which show or tend to show or verify the contributions payable to the Group.
- (i) The Member shall provide, and the Group shall at all times have in its possession, in a form acceptable to the Department of Commerce and Insurance, a current financial statement for each Member. The Member shall provide to the Group and the Department of Commerce and Insurance such other records or documents as may be required from time to time by the Group or Department of Commerce and Insurance.

10. The Members authorize the Board to set aside from collected contributions a reasonable sum for the liabilities of the Group under the Act and its self-insurance programs. All remaining funds of the Group during any fiscal year of the Group shall be used only for the following purposes:

- (a) Payment of fees, compensations or expenses for the Administrator, Service Company, and any other entity providing services to the Group;
- (b) Payment of all legal fees, accounting fees, or other miscellaneous expenses incurred by the Group;
- (c) Payments of liabilities imposed upon Members by the Act, including settlements, awards, judgements, legal fees, and costs in contested cases;
- (d) Payment of taxes and assessments levied and imposed by law and other fees and costs imposed by the Department of Commerce and Insurance or incurred in connection with matters and proceedings before the courts or agencies of Tennessee;
- (e) Deposits with the Department of Commerce and Insurance, payment of the cost of bonds and excess insurance carried by the Group and audited expense and examination costs required of the

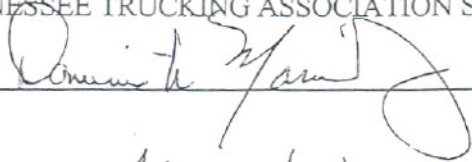


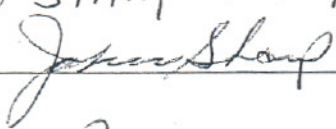
Group or its agents or employees by the Department of Commerce and Insurance; or

- (f) After payment of claims and claim expenses and after provision has been made for open claims, including reported but unpaid claims and incurred but not reported claims, any contingency reserve required by the Regulations and the costs and expenses described in the preceding subparagraphs, the Board may set aside such portion of any excess funds arising in any fiscal year as they, by resolution, find appropriate for the purpose of establishing and managing an additional reserve fund used for the benefit of this Group. Any remaining amounts of such excess funds shall be distributed to Members or former Members in such manner as the Board may deem equitable, subject, however, to approval of any such distribution by the Department of Commerce and Insurance.
- 11. The Group shall operate on a fiscal year ending December 31. Application for continuing membership, when approved in writing by the Board or its designee, shall constitute a continuing contract for each succeeding fiscal year unless the Group or Member cancels, terminates or withdraws, as the case may be, such membership by written notice as provided in paragraph 6 above.
  - 12. The Group and each Member agree to be bound by all the terms and conditions of this agreement.
  - 13. The Members jointly and severally covenant and agree that there shall be no disbursements to Members or former Members of the Group out of funds of the Group by way of distribution of claim reserves until after provision has been made for all obligations of the Group's self-insurance programs, in the manner set forth herein and in accordance with the Regulations.

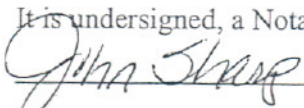
IN WITNESS WHEREOF, the parties have caused this Indemnity Agreement and Power of Attorney to be executed by their duly authorized representatives as of the day and year first above written.

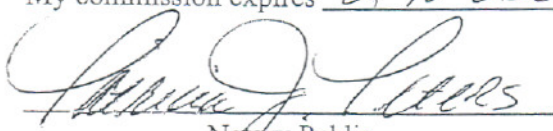
TENNESSEE TRUCKING ASSOCIATION SELF INSURANCE GROUP TRUST

By   
Its Administrator

(MEMBER'S NAME:) Sharp Transport, Inc.  
By   
Its Pres.

STATE OF TENNESSEE  
COUNTY OF Laurens

It is undersigned, a Notary Public in and for the jurisdiction aforesaid, do certify that , a representative of the Member which is a party to this Agreement, personally appeared before me and executed this Agreement this 10th day of July, 2001.

My commission expires 2.10.2004  
  
Notary Public